ADDITIONAL FEE:

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R E M A R K S

The Office Action issued January 12, 2005 has been received and its contents have been carefully considered.

The Examiner determined that applicant's Amendment filed on July 7, 2004 was "not fully responsive to the prior Office Action" because "the remarks do not point out why newly added claims 26-39 are patentable in view of the prior art of record."

In the prior Office Action, all of the claims were rejected over the U.S. Patent No. 5,845,260 to Nakano et al. ("Nakano"). Set forth below is a detailed explanation as to how and why applicant's newly added independent claims 31 and 37 distinguish patentably over Nakano. Newly added claims 26-30 were dependent from applicant's amended claim 1, and therefore include all the limitations of claim 1 (discussed in the previous Amendment). Claims 32-36 are dependent from independent claim 31 (discussed below) and claims 38 and 39 are dependent from independent claim 37

(discussed below). Consequently, applicant's remarks will focus upon these independent claims 31 and 37.

In his patent, Nakano describes a financial "charging method for use in an interactive on-line service" (claim 1) and a "charging system for use in an interactive on-line service" (claim 6) which main purpose is to provide means for collecting funds from a "credit company" for services and products a "seller" company sells to its customers. In essence, the only use that Nakano's system makes of the credit card information that it stores, is as a charging instrument to collect payment for services and products that the company implementing this system sells.

Many references can be found throughout Nakano to support the fact that this system is applicable to companies that <u>sell</u> products and services, which use credit cards only to submit charge requests to credit companies in an attempt to collect funds for services and products they sell.

> "...the service provider company submits a bill of the total amount ($20 in this example) during the month to a credit company..." (Col. 3, lines 25-27, Fig. 1 and associated text).

> "In the credit company, the fee for the service is demanded to the user in response to the charge request from the service provider company" (Col. 4, lines 27-28).

"In the service provider company, the credit card number stored corresponding to the user ID, which is supplied from the contractor home, in advance at the time of contract, is retrieved from the server la, and an inquiry and a charge request are executed to the credit company via a network or the like" (Col. 4, 18-23, Fig. 3 and associated text).

"In this case, only the amount used is billed to the card company" (Col. 5, lines 66-67).

By analyzing Nakano's system and method, one can conclude that it applies to a "seller" of a product or service seeking approval for "charge requests" it submits to "credit companies". The charge requests carrying the "paying instrument" (credit card) which the charge should be applied to, benefiting the "seller" company itself which, in this case, is also the same company making use of said system.

In contrast, the present invention - the so-called "Trigger System" - differs from Nakano's system (as well as from all other charging systems), first, by <u>not</u> being a charging system and by <u>not</u> executing "charge requests" to credit institutions, and second, by <u>not</u> being a system to be implemented at a "seller" company seeking payment for products and/or services they sell.

Through the Trigger System, the credit card information is never sent to the credit company as a charge request, aiming to receive funds for products or services one sells (as in Nakano's system) and therefore, it can never be used as a charging system by any seller company (as in Nakano or any other charging system).

Instead, the Trigger System passes the "payment instrument" to an independent transaction between a "seller" and a credit company so that the "seller" company itself can independently attempt to acquire funds from the "credit company" in a transaction to which the Trigger institution is not a party.

Independent claim 31, subparagraph (a) specifies:

> "a computer server which receives, stores and delivers data defining a plurality of chargeable accounts for use in credit and debit transactions, as well as any additional information required for the effective use of said accounts...said server being controlled by an institution which is not a party to said transactions."

The fact that Nakano's system works as every other "charging system", being applicable to "seller companies" submitting "charge requests" to "credit companies" and that this is the sole purpose why his system stores "payment instruments", sets it completely apart from the Trigger

System which purpose of storing "payment instruments" is not to submit "charge requests" to "credit companies", but instead, to supply those paying instruments to external transactions so that "seller" and "credit" companies can themselves negotiate a transaction independently, outside of the boundaries of the Trigger institution.

Independent method claim 37, subparagraph (b), requires the step of:

> "transmitting said data to a computer server controlled by an institution which is not a party to said transactions".

The Trigger institution exists with the sole intent of supplying "paying instruments" to independent companies eager to start a charge transaction of their own, but lacking the required "paying instrument" (credit card information), which by connecting to the Trigger System, one expects to acquire in exchange for an authorization code.

Claim 37 goes on to state:

> "said server validating said request and delivering said data associated with said entered authorization code for use in said transactions, with no further involvement of said institution in said transactions."

Such "charging" purpose and intent of utilizing the stored credit card information to receive funds for sales

that a "seller company" executes (as clearly expressed on several paragraphs of Nakano's patent) is completely opposed to what the Trigger System and method are intended to do, as further recited in claims 31 and 37. As clearly stated in these two claims, the sole purpose of the Trigger System is to serve as a "storage and relay" facility for credit card information, allowing "seller companies" to start a transaction without a defined "paying instrument" (credit card), by acquiring one from the Trigger institution in exchange for an authorization code previously made known to the credit card owner.

This strategic separation between the Trigger institution and the other institutions involved in the transaction (the seller and the credit company) is an essential feature of the Trigger concept, which by this separation, relinquishes the Trigger institution from any liability related to the transaction (payment commitments, merchandise delivery, availability of funds, origin of the funds, OFAC, IRS and other compliance implications, etc).

These "absence of liability" benefits could never be achieved by companies using Nakano's system mainly because, as a "seller" company implementing a "charging method",

these companies not only participate on the transaction but are actually the center of the it, controlling the outcome of it and committing themselves to the delivery of their goods or services in exchange for a payment commitment from a credit company upon approval of their charge request.

This separation of functionality, and therefore the benefits derived from it, can only be made possible by the implementation of the Trigger System and method.

As applicant's newly added claims state, the Trigger System is a system for:

> "collecting, storing and delivering data relating to chargeable accounts for use in credit and debit transactions…" (claim 31); however, "...from a computer server controlled by an institution independent of said transactions" (claim 31).

Additionally, Nakano's patent does not at any time imply that his system is capable of supplying credit card information to separate transactions in any manner other than as a charge request, which is clearly the opposite of the functionality provided by the Trigger System as recited in claims 31 and 37.

> "a requesting terminal which receives authorization code from users and transmits them to said server to acquire said data for use in effecting said transactions" (claim 31 subparagraph (c)).

"said server validating said request and delivering said data associated with said authorization code for use in said transactions, with no further involvement of said institution in said transactions" (claim 37, subparagraph (f)).

The "data" in both instances refer to a plurality of "paying instruments", like credit and debit card information, that are stored by the Trigger institution. Also, the mentioned transactions are independent transactions that connect to the Trigger server in an attempt to acquire a paying instrument so that they can be further carried on.

As recited in independent claims 31 and 37, the Trigger System (and method) store credit card information in its database not with the intent of using it to collect funds (which is clearly the purpose of any charging method such as Nakano's), but instead, with the intent of supplying another external system with the credit card information they require so that their unrelated independent transactions can occur, all of that without any involvement of the Trigger institution in these transactions themselves.

Accordingly, applicant's newly added independent claims 31 and 37 distinguish patentably over Nakano. This application is therefore believed to be in condition for

immediate allowance. A formal Notice of Allowance is respectfully solicited.

Respectfully submitted,

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Date FEBRUARY 1, 2005